1; Belgrave F-3 (no date) 1953 MZ2 Bahrain MZ2

The

first payments of oil royalities came at a critical time in Bahrain's history, when it was suffering from the effects of a slump in the pearling industry, and they enabled the State to continue its public works and social services. Apart from increasing the cost of living and causing a shortage of foods, the 1939-45 war had no direct effect on Bahrain, with the exception of a long-range bomber raid carried out by the Italian Air Force on the oil installations of Bahrain, and this attempt failed.

On February 20, 1942, Shaikh Hamed died, and was succeeded by his son, Shaikh Sulman bin Hamed al-Khalifah, the present ruler, under whom the march of progress in Bahrain has continued. The story of modern Bahrain and the activities of the Bahrain Government are described in Chapter III of the First Part of this book.

NOTES

1 Durand, "Extracts from Report on the Islands and Antiques of Bahrain," with notes by H. C. Rawlinson, in *Journal of Royal Asiatic Society*, 1880.

2 de Goeje, M. J., *Memoire sur les Carmathes du Bahrain et les Fatimides*, 1886.

3 Idrisi, *Troisieme Climat-Sixieme Section*, translated by P. A. Jaubert, p. 373.

4 Belgrave, C. D., "The Portuguese in the Bahrain Islands," *Journal Royal Central Asian Society*, 1935.

5 Whose work is in the possession of a Bahraini historian.

6 An-Nabhani, Muhammad, *Tarikh al-Jazirat al-Arabiya*, 1923, p. 125.

7 Kennier, J. M., *Memoire on the Persian Empire*.

8 For details of this and subsequent treaties between the Bahrain rulers and the British *see* Aitcheson, *Collection of Treaties, Engagements and Sanads relating to India and neighbouring countries*, vol. xi, 1933.

London Times of March 6, 1942. In July of the same year, the personal salute of the ruler of Bahrein was fixed at eleven guns.

On the occasion of his succession, Salman issued the following manifesto:

"We, Salman, have succeeded to the throne according to the promise which our father made to us, with the unanimous consent of our paternal uncles and our brothers and all of our tribe. We declare solemnly as our father ordered us, with the help of God to remain firmly attached to our religion, to be vigilant, to ameliorate the conditions of our tribe and our country, to act according to justice and equity, and, acting to reinforce the old ties of friendship which bound our country to England, to remain faithful forever to her friendship. We pray God, the All-Merciful and All-Powerful, to protect, guide, and help us."

The realities of war were brought home to Bahrein by price control and rationing system. The Government bought and imported all food supplies for the population, shops were opened in towns and in villages for rationed goods, and the queue system introduced.

There occurred a shortage of rice, staff food of the population, due to the drastic reduction of shipping facilities and the loss to the Japanese of Burma, Indo China and other producing centers. Rice was replaced by wheat, and as a result there was vast discontent among the population.

The black market flourished, and smuggling was rampant. Goods whose export was forbidden, were smuggled out of the country. At one time a bag of sugar could be bought in Bahrein for about 80 rupees; opposite on the Persian Coast, the same bag would be sold for 800 rupees. Motor tires were sold at fabulous prices in Persia and Iraq, and tea was a profitable commodity for smugglers.

The pearl industry flourished, although the fleets of diving boats were smaller because many divers preferred to earn money on the shore, and high prices were obtained for pearls in India, where people invested money in precious stones. No European

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buyers visited the Gulf, and few, if any pearls were sent to Europe.

Owing to important developments in the Bahrein oil industry and war time public works, there was a great demand for labour. Not only manual labourers and skilled men, but any young Arabs with slight education could obtain well paid posts.

Many Bahreini invested their money in gardens and house property which resulted in a land boom. Axis broadcasts were forbidden in public places but most people listened to them in their houses.

To prevent any disturbances, very strong security measures were taken, and the police force numbered some 700 people.

The population sympathized with the Arabs of Palestine in their resistance to Jewish immigration, and in Bahrein, serious rioting broke out in answer to American stands concerning the partition of the Holy Land. Manama synagogue and scores of Jewish shops were wrecked and the Jews were beaten. At the same time, posters appeared on the streets at night denouncing Americans as the "foreigners who steal our oil."

To forestall any trouble, a Military Government was declared in Bahrein, and extraordinary precautions taken. These measures were resented by the Bahreini who complained to Persia.

The old quarrel over the ownership of Bahrein was revived, and the Cabinet decided on April 18, 1946, to charge taxes and royalties on oil entering Iran from Bahrein. The tax was fixed at $.80 a barrel, plus 20% of the annual net revenue of the Company, that is, the equivalent of the tax collected on the production of the Anglo-Iranian Oil Company in Iran.

At the end of 1947, a delegation from Bahrein arrived in Teheran. The delegation was headed by a very prominent Sheik who was to represent Bahrein at the Iranian Parliament. He was received in a secret session of the Parliament, but as he was not duly elected, according to Persian election laws, it was decided that Majlis could not take any step in regard to its admission. In the session of April 15, 1948, the Parliament